

THE CITY OF SAN DIEGO

November 12, 2004

Honorable Mayor and Councilmembers:

After a considerable amount of thought, I have decided to tender my resignation as City Manager effective July 1, 2005. The recent passage of the Strong Mayor form of governance will significantly alter the role of the City Manager in this organization. I am desirous of pursuing future opportunities in a Council-Manager form of government consistent with my chosen profession.

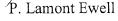
I had hoped to meet with the newly elected Mayor shortly after the swearing in ceremony on December 6, 2004 and personally share my decision at that time. However, with the recent legal challenges that have emerged, I felt it more appropriate to announce my decision now, thus avoiding any speculation that it is based on who is ultimately elected Mayor.

I have chosen the end of this fiscal year as my planned date of departure to allow me the opportunity to assist in resolving several important outstanding matters currently facing the City. This timing will also allow the Mayor the opportunity to select my replacement and provide him or her with the benefit of directly participating in the implementation of a governance transition plan.

I have attached a proposed work plan that reflects the most critical issues that need to be addressed. You may rest assured that I remain committed to working with each of you to ensure that each issue is resolved in a manner most favorable to the City. You will note the work plan includes completing the development and implementation of three key organizational strategies that I shared with you shortly after you appointed me to this position in April of this year. They include a Five-year Financial Plan; a comprehensive Communications Strategy and a city-wide Customer Service Strategy. Although each item in the work plan will require very difficult decisions be made, with your continued support and involvement, I remain extremely optimistic of our ability to succeed.

I thank you for an opportunity of a lifetime - to serve the City in which I was born, to work with a Mayor I greatly admire and a City Council committed to the betterment of the community, and to lead an organization of dedicated public servants. I shall remain forever grateful.

Respectfully submitted,





CITY OF SAN DIEGO CRITICAL ISSUES

TASK	ISSUE	COMPLETION
Annual Audit	Complete Fiscal Year 2003 Annual	ASAP
Fiscal Year 2003	Audit	
Annual Audit	Initiate and complete Fiscal Year	July 2005
Fiscal Year 2004	2004 Annual Audit	
Pension Reform Committee	Complete the implementation of the	July 2005
Recommendations	recommendations as adopted by City	
	Council	
Capital Improvements	Review and adjust capital	July 2005
Program	improvements project schedules	
	which are contingent on financing	
Labor Negotiations	Complete labor negotiations with the	July 2005
	four labor unions	
Five-Year Financial Plan	Prepare and present a Five-Year	February 2005
	Financial Plan as the basis of the FY	
	2006 Budget	
Fiscal Year 2006 Budget	Prepare a Proposed Budget for City	July 2005
	Council consideration and adoption	
Vinson and Elkins Report	Implement the Vinson and Elkins	July 2005
Recommendations	Report recommendations and the	,
	Ordinance adopted by City Council	
Communications Strategy	Develop a comprehensive	July 2005
	Communications Strategy for the	
	City	
Customer Service Strategy	Develop and implement a city-wide	July 2005
	Customer Service Strategy	